

HOUSE BILL REPORT

ESB 5099

As Reported by House Committee On:
Environment

Title: An act relating to fuel usage of publicly owned vehicles, vessels, and construction equipment.

Brief Description: Concerning fuel usage of publicly owned vehicles, vessels, and construction equipment.

Sponsors: Senator Rivers.

Brief History:

Committee Activity:

Environment: 3/20/13, 3/28/13 [DPA].

**Brief Summary of Engrossed Bill
(As Amended by Committee)**

- Directs the Department of Commerce (Department) to convene an advisory committee of representatives of local government subdivisions and local government organizations to work with the Department to develop rules relating to local government fuel usage requirements for electricity and biofuels.
- Permits local government subdivisions to exempt from the fuel usage requirements emergency response vehicles and engine retrofits that would void warranties.

HOUSE COMMITTEE ON ENVIRONMENT

Majority Report: Do pass as amended. Signed by 12 members: Representatives Upthegrove, Chair; McCoy, Vice Chair; Short, Ranking Minority Member; Pike, Assistant Ranking Minority Member; Farrell, Fey, Kagi, Liias, Morris, Nealey, Overstreet and Tharinger.

Staff: Scott Richards (786-7156).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

By 2015 all state agencies must satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment from electricity or biofuels. By June 1, 2010, the Department of Commerce (Department) must adopt rules to address criteria and a phase-in schedule for state agencies to convert their fleet to electricity and biofuels. Compressed natural gas, liquefied natural gas, or propane may be substituted for electricity or biofuel if the Department determines that electricity and biofuel are not reasonably available.

In order to phase in this requirement, state agencies, to the extent practicable as determined by the Department, must achieve 40 percent of their fuel usage using electricity or biofuel for publicly owned vessels, vehicles, and construction equipment by June 1, 2013.

By 2018 cities and counties must satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment from electricity or biofuels. By June 1, 2015, the Department must adopt rules to address criteria and a phase-in schedule for cities and counties to convert their fleet to electricity and biofuels. Transit agencies using compressed natural gas on June 1, 2018, are exempt from this requirement.

Summary of Amended Bill:

The Department of Commerce (Department) is required to convene an advisory committee of representatives of local government subdivisions and representatives from organizations representing each local government subdivision to work with the Department to develop rules relating to local government fuel usage requirements. The Department must include an electric utility or a natural gas utility, or both, as a member of the advisory committee. The Department is authorized to invite additional stakeholders to participate on the advisory committee as needed and determined by the Department.

The rules adopted by the Department must provide the authority for local government subdivisions to elect to exempt from the fuel usage requirement police, fire, and other emergency response vehicles, including utility vehicles frequently used for emergency response. A local government subdivision, prior to exempting a vehicle from the fuel usage requirement, must notify the Department of the exemption. The notice must include the rationale for the exemption and an explanation of how the exemption is consistent with rules adopted by the Department.

Local government subdivisions purchasing vessels, vehicles, and construction equipment capable of using biodiesel are required to request warranty protection for the highest level of biodiesel the vessel, vehicle, or construction equipment is capable of using, up to 100 percent biodiesel, as long as the costs are reasonably equal to a vessel, vehicle, or construction equipment that is not warranted to use up to 100 percent biodiesel.

Engine retrofits that would void warranties are exempted from the fuel usage requirement. Additionally, it is specified that it is not the intent of the local government fuel usage statute to require the replacement of equipment before the end of its useful life.

Amended Bill Compared to Engrossed Bill:

The Department of Commerce (Department) is directed to include an electric utility or a natural gas utility, or both, as a member of the advisory committee. The Department is authorized to invite additional stakeholders to participate on the advisory committee. A local government subdivision, prior to exempting a vehicle from the fuel usage requirement, must notify the Department of the exemption. A local government subdivision purchasing vessels, vehicles, and construction equipment capable of using biodiesel must request warranty protection for the highest level of biodiesel the vessel, vehicle, or construction equipment is capable of using.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Amended Bill: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill was brought to the Legislature by smaller cities and would provide relief to the cities. The bill has been worked on by the Senate and the Office of the Governor. The fuel usage requirement in current law that the bill seeks to address represents the largest unfunded mandate in the history of the state. It will cost cities millions to comply and will force cities to choose between equipment and personnel. The bill allows cities to go forward with the fuel usage requirement by restoring some local control. First responders are concerned about the increased use of biofuels and whether these fuels will perform well in cold weather, be susceptible to microbiological growth, and be consistent with fuel quality standards. Without access to biofuels and the appropriate infrastructure rural counties will have the biggest problems meeting the fuel usage requirements. The fuel usage requirements rose to the top as the most pressing issue to cities. Cities do not want to eliminate the requirement. They just want to make it workable.

(In support with amendment(s)) The committee should consider two amendments to the bill. The first amendment would allow local governments to use compressed natural gas and liquefied natural gas as a primary option to satisfy the fuel usage requirements, alongside biofuels and electricity. Natural gas represents a 30 percent reduction in greenhouse gas emissions. A second amendment would allow a combined natural gas and electric utility to serve on the advisory committee.

(In support with concerns) The current law appears to exclude the potential for new clean technologies and fuels to emerge.

(Opposed) None.

Persons Testifying: (In support) Senator Rivers, prime sponsor; Mark Brown, Cities of Vancouver, Longview, Lacey, and Ridgefield; John Williams, City of Battleground; Mike

Stankus, Washington Fire Mechanics; Michael Shaw, Washington State Transit Association; and Carl Schroeder, Association of Washington Cities.

(In support with amendment(s)) Nancy Atwood, Puget Sound Energy.

(In support with concerns) Glenn Akramoff, American Public Works Association Washington Chapter.

Persons Signed In To Testify But Not Testifying: None.